

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7657

BILL NUMBER: SB 409

DATE PREPARED: Jan 12, 1999

BILL AMENDED:

SUBJECT: Uniform Commercial Code.

FISCAL ANALYST: Susan Preble

PHONE NUMBER: 232-9867

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill adopts the most recent revision to the Uniform Commercial Code article 9, concerning secured transactions. It also makes conforming amendments.

Effective Date: June 30, 2001; July 1, 2001.

Explanation of State Expenditures: A secured transaction is intended to create a security interest in personal property or fixtures, including goods, documents and other intangibles. Article 9 of the UCC covers all such property except for real estate.

This bill requires a centralized system for UCC filings. Currently, Indiana has a dual filing system. Some UCC filings are made with the county recorder's office and some are made with the Secretary of State's Office. This proposal would eliminate local UCC filings and require that all UCC filings be made with the Secretary of State's Office. Any increased burden on the Secretary of State's Office can be offset by the ability to charge filing fees.

This bill may result in long term efficiencies because in addition to providing for centralized filing, it also facilitates electronic filing. In addition, the resulting uniformity may promote interstate commerce because it will be simpler for businesses to file in one centralized place.

This bill maintains the fact that currently, the Secretary of State's Office is not responsible for the contents of UCC filings, has no obligation to review UCC filings, and incurs no liability as a result.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Due to the elimination of the local UCC filing system and the fees that are assessed on filings by county recorders, this bill will result in a decrease in local revenue. The amount of revenue generated from UCC filing fees is unknown.

State Agencies Affected: Office of the Secretary of State

Local Agencies Affected: County recorders

Information Sources: John McCabe, National Conference of Commissioners on Uniform State Laws, (312) 915-5976; Todd Rokita, Office of the Secretary of State, (317) 232-6541; Marion County Recorder's Office (317) 327-4020; Matt Brooks, Indiana Association of Counties, (317) 684-3710.